

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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I N D E X

<u>MANAGEMENT</u>	2
Organizational Structure	2
Planning	3
Managerial and Technical Personnel	4
<u>LABOR AND WORKING CONDITIONS.</u>	6
Wages, Salaries, and Leave	6
Restrictions on Employment	7
Training and Capabilities of Soviet Workers.	8

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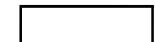
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SECRET

-2-

LABOR AND WORKING CONDITIONS (Continued)

Labor Controls . . . . .	8
Working Conditions . . . . .	10
Paramilitary Training . . . . .	10
<b>TRADE UNION ACTIVITIES</b> . . . . .	10
<b>PARTY ACTIVITIES</b> . . . . .	11
Function of Party Committee . . . . .	11
Party Membership . . . . .	12
<b>MGB ACTIVITIES</b> . . . . .	12

MANAGEMENTOrganizational Structure

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2. The director of the Institute controlled all operations on Gorodomlya. He was in charge not only of the research Institute proper, but also the various service installations such as workshops, the power station, transportation services, construction section, guard detachment, fire department, consultation office, et cetera. He fulfilled the functions both of a technical and administrative director. He apparently was heavily burdened with functions of the latter variety. For example, he had to sign for all supply requisitions and was responsible for other trivial administrative tasks - tasks which in my opinion would normally be carried out by an administrative employee in Germany.

3. The Gorodomlya installation was under the administration of the Ministry for Armaments Industry. However, Institute 88 at Podlipki, near Moscow, evidently constituted an intermediate administrative unit between Gorodomlya and the Ministry. Thus, the director received orders and instructions for new research projects from the Institute at Podlipki. The chain of command for such orders within the Institute proceeded from the director to the Soviet chief engineer, the German chief designer, and finally the individual sector chiefs. However, the director was evidently so overburdened with administrative work that he delegated most of the technical decisions to the chief engineer, a Soviet engineer. The chief engineer acted in effect as the director of the research Institute proper. Presumably after clearing with the director, he received plans, projects, and instructions directly from Moscow (presumably both from the Podlipki Institute and from the Ministry) and reported to Moscow on the results of tests conducted on the Island.

SECRET

4. Within the Institute, the chief engineer was responsible for assigning projects to the various sectors on the basis of instructions received from the Podlipki Institute or from the Ministry. He was also responsible for day-to-day supervision of projects carried out by individual sectors. For example, he decided which projects should be given more time for completion or which should be accelerated. Such questions were discussed at monthly meetings which he held for the sector chiefs.
5. The assistant chief engineer aided the chief engineer in his work and acted as temporary manager of the research Institute when the latter was absent.

Planning

6. The Gorodomlya Institute operated on the basis of yearly production or operational plans. The year plan was the basic plan, although the various sectors were called upon to meet production or operation schedules of shorter duration.
7. It is necessary to recapitulate somewhat in order to obtain a clear picture of the planning mechanism. Preliminary research work carried out by the Institute was the basis on which planned research projects for the coming year were determined. These preliminary projects were drawn up by "Moscow" and were forwarded to the Institute for implementation by the channels mentioned above. I believe that the Ministry for Armaments Industry was the agency responsible for drawing up these projects, but the Institute at Podlipki or another Moscow agency may have been the responsible agency.
8. Preliminary projects received by the Institute were forwarded by the chief engineer to the sectors concerned. Every year, usually around November, each sector chief (all of whom were German), aided by his Soviet assistant, drew up an operations plan for his sector for the coming calendar year on the basis of the above preliminary projects. A sector chief estimated how much time and material would be required for the projects and incorporated this information in his provisional yearly plan. These individual sector plans were then submitted to the chief engineer and the director for revisions and approval. Both the chief engineer and the director automatically reduced the time allotted for individual projects. The net effect was to reduce operational time by perhaps one-third. The individual revised and approved sector plans were then incorporated in a single plan for the Institute, which presumably was forwarded to the Ministry for Armaments Industry for approval. Clever sector chiefs, anticipating that the chief engineer and director would reduce their estimates of the amount of time required for individual projects, would accordingly overestimate time requirements in their original estimates in order to provide a margin of safety.
9. Control of plan fulfillment was exercised on the sector level by sector chiefs. These individuals were naturally interested in carrying out these control assignments faithfully, as failure to fulfill plans resulted in continuing difficulties with top Institute officials. The director and the chief engineer, particularly the latter, were responsible for effecting plan controls on the Institute level. The chief engineer was briefed on current developments in plan fulfillment at his monthly

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SECRET

25X1A

-6-

21. And, finally, they lacked initiative. The Soviets were afraid of experimenting because an experiment could understandably prove unsuccessful, even with the best research engineers. This was the result of the Soviet system of reward and punishment. An unsuccessful research engineer could easily be branded as an economic saboteur.

22. Every Soviet worker on the assembly line had at least one boss, one-half of an administrator, one-half of a Party functionary, and one soldier standing behind him. Therefore, every production worker had at least three persons watching over him. In short, there were too many supervisors in the Soviet Union who often did little to earn the salaries they receive. This fact did not pass unnoticed among the Soviet workers. They frequently complained about lazy supervisors earning far more money than workers. When a worker made such a complaint in public, he was likely to receive a reply from a Party functionary that the introduction of Communism would do away with all these discrepancies, that the worker should labor hard for this goal and for his children. This evidently became somewhat of a standing joke with the workers on Gorodomlya. Four days or a week after payday, when almost all workers were already broke, they frequently made bitter "cracks" to the effect that everything would be different under Communism.

#### LABOR AND WORKING CONDITIONS

##### Wages, Salaries, and Leave

23. I recall the following average basic monthly wages that were paid to employees on Gorodomlya Island:

	<u>Rubles</u>
Unskilled or manual laborers	250 - 400
Skilled workers	500 - 600
Machinists	600 - 850
Welders or electricians	700 - 800
Foremen	900 -1000
Technicians (those who had attended a tekhnikum)	800 -1000
Engineers and designers	1000 -1500
Chief of Section 3 (engineer)	1800
Chief engineer	3000

I wish to emphasize that the salaries listed above are basic salaries. Many salaried personnel supplemented their salaries with bonuses received for special achievements. I am unable to cite any average amount received. The number of bonuses received depended to a great degree upon how well an employee got along with his supervisor.

24. Similarly, there was no standard wage for wage earners in a given category, as many workers were paid according to a modified piecework system. For example, an outstanding machinist was able to earn as much as 1500 rubles per month through over-fulfillment of production norms. Piecework pay rates were established according to a special system which took into account the type of work carried out at the Institute. It will be recalled that the Institute was not engaged in serial production, a fact which prohibited the introduction of a standard piece-work system.

SECRET

SECRET

25X1A

-7-

25. To illustrate the system there, I cite the method of determining wages in a machine shop. The shop's kalkulator (calculator) determined the number of hours required to machine a particular part. This figure was written on the work order which was turned over to the machinist for execution. After the worker had completed machining the assigned part, he noted on the work order the number of hours which he had devoted to the task and turned it in to the sector office. The worker got paid only for the number of hours originally established by the calculator. Thus, if the worker had spent but 80 hours on a given job which required 100 hours according to the calculator's computations, he nevertheless was paid for 100 hours of labor. The same was true if the worker required more than the established norm to complete a given job. Before a worker was credited with the assignment, the tehnolog assigned to the shop had to check and approve the part in order to determine if it met established specifications. A tehnolog assigned to a given sector or shop was not under the direct supervision of a sector chief, but rather received his orders directly from the chief engineer. The same situation probably applied to a calculator.

26. Women employed at Institute 180 received the same wages as male employees performing identical jobs.

27. Workers and employees were granted annual and sick leave according to seniority. This seniority was evidently calculated on a basis of length of employment in plants and industries under the Ministry for Armaments Industry and not simply according to period of service at the Institute. Thus, a worker with less than three years of employment received 12 days of annual leave, those with three to four or five years of service received 18 days, and workers employed over five years received 24 days. Welders and other workers engaged in hazardous or unhealthy positions automatically received the maximum amount of 24 days of annual leave. Employees or workers with less than four years of service received 50% of their basic wages when sick. Workers with longer terms of service received a proportionately greater percentage of their wages when on sick leave.

Restrictions on Employment

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29. Workers and employees of the Institute had to obtain a job release from the director of the Institute in the event that they wanted to accept employment elsewhere. I know of quite a few workers who wanted to accept better paying jobs elsewhere but were unable to do so because of their inability to obtain the director's approval. The local trade union intervened on behalf of some of these workers, but even this action was unsuccessful. In fact, I know of no Soviet employee who was able to leave the Institute by choice.

SECRET

SECRET

-8-

25X1A

30. "Goofing off" on the job was about the only possible way to obtain a job release, and sometimes even this maneuver did not work. For example, I know of a Soviet worker who repeatedly came to work drunk in an effort to impress his supervisor that he was an undesirable worker. This man had the opportunity of obtaining a job in a nearby plant which paid more money. However, his supervisor saw through the maneuver and he was assigned to six months' punitive work in the Transportation Section at lower pay.

Training and Capabilities of Soviet Workers

31. In my opinion the work of the Soviet skilled employees at Gorodomlya compared very unfavorably with their German counterparts. They could not be depended upon to do a job which would meet the standards of accuracy expected in German industry. Difficult tasks requiring great skill always had to be delegated to German craftsmen for execution.

32. Inadequate training was partly to blame for this state of affairs. But more remarkable was the indolence and indifference of the Soviet workers. Apparently their main concern was merely to fulfill production norms. They were not interested in how a job was done in accuracy requirements, but simply in the pay that they would receive for formal fulfillment of assigned tasks. The Soviets adopted strict measures to control this indifference to accuracy and workmanship. For example, a worker was frequently required to pay for a part which was rejected by a tekhnolog for failing to meet required specifications. But even this measure did not solve the problem, as the Soviet specifications allowed large margins of error.

33. Soviet workers also had their positive qualities. Their strongest point was their notable ability to improvise solutions to technical problems with simple, crude equipment.

34. Apprentices at the Institute were given training which lasted approximately three months. This included some theoretical training as well as practical work, which consisted of observing and aiding the work of an experienced craftsman. In most cases, an apprentice's vocational training was considered complete at the end of the three months' period. He was then assigned as a full-fledged worker to some section in the Institute. Apprentices ranged in age from 11-year-old recent graduates of elementary schools to 25-year-old workers who had no previous training in a trade.

Labor Controls

35. Operations at the Institute were carried out on a 48-hour week; eight hours per day, six days per week. A sector chief was required to clear with the director in the event that he needed the service of workers for overtime or holiday work. He also was required to clear with a trade union representative when a worker objected to working overtime.

36. A worker was either granted compensatory time off or extra pay for overtime or holiday work. In addition, sector chiefs frequently encouraged overtime work by having a calculator juggle his figures, so as to enable a worker to earn more money.

SECRET

SECRET

-9-

25X1A

Soviet workers normally complained bitterly when required to work overtime, although this generally meant additional pay. Apparently they felt that considerable supplementary pay had to be offered in order to make it worthwhile.

37. Absenteeism was rare on Gorodomlya Island. To be absent without cause was sufficient reason for a court case and harsh punishment for the offender. In fact, Soviet workers who were sick or in some other way temporarily incapacitated would often report to work rather than stay home and risk a court case.
38. Tardiness was also no problem, as most workers came to work together on a ferry boat from Ostashkov. First offenders were brought before the director. They received a stern lecture from him, and wages equivalent to the time absent were deducted from their pay. Repeated offenders were given strict fines. For example, the director might order that a person be fined 25% of his pay for a period of three months.
39. The management of the Institute imposed certain controls which were designed to promote more efficient operations. The system of "socialist obligations" was one of the more positive controls. These were generally initiated by an announcement from the sector chief that he had undertaken a certain socialist obligation on behalf of his sector. He announced the terms of the obligation - for example, to carry out 20 rocket tests before May Day - and called upon the engineers and workers to fulfill them.
40. These "contracts" had absolutely no effect on the functioning of the Institute, neither a positive nor a negative effect. They were purely paper contracts and nothing more. Neither the Soviet nor German technicians took them seriously. The Germans thought that they would never be carried out (this generally was the case) and the Soviets were too bored with this time-worn procedure to be affected by it.
41. Such "socialist obligations" were generally not fulfilled by my section. Even if they were fulfilled, this was not due to any special effort on the part of the technicians. In the event that a sector failed to live up to the terms of its "obligation", the sector chief either lied in his report to the chief engineer or attributed his failure to factors beyond his control, such as a power failure and the like.
42. There was a second more significant labor control measure which was applied at the Institute. Workers held responsible for wasting material as the result of breakage or faulty operations were often required to pay both for the material wasted and for the labor hours which had been lost. However, workers and technicians generally were not fined in this way unless they had repeated a mistake two or three times.
43. This measure was naturally disliked by the workers, as it could mean a considerable financial loss to them. But most supervisors considered it necessary in order to obtain the required amount of precision. I am also of the opinion that this control measure was necessary in view of the lack of conscientiousness on the part of the average Soviet worker. I believe that it contributed to over-all efficiency without resulting in much loss of initiative.

SECRET

SECRET  
-10-

25X1A

Working Conditions

44. I was appalled by the poor working conditions which prevailed on the Island, both in terms of sanitation and the general comfort of employees. However, there had been considerable improvement in this respect during the period of my employment there. This was largely due to the German specialists, who, through our efforts, introduced sanitary conditions and a significant degree of orderliness. I believe that the Soviet employees were not dissatisfied with the working conditions, particularly after these improvements had been brought about. After all, the installations on the Island could boast of running water, electricity, and central heating - utilities which were generally not available in Ostashkov.

Paramilitary Training

45. I never heard of any paramilitary organizations either at the Institute or at Ostashkov. I recall that workers at the Institute participated in certain military sports such as skiing and marksmanship. These activities were directed by an organization in Ostashkov. However, I do not believe that this organization had anything to do with Dosav or Dosarm.

TRADE UNION ACTIVITIES

46. The trade union organ on the Island (zavkom) was supposed to act as the representative of workers' interests. It advised workers of their rights in such matters as overtime and holiday work, complaints regarding working conditions and supervisors, et cetera. However, its main function in practice seemed to be the collection of dues from trade union members. Almost all workers on the Island were members of the trade union. Presumably they joined voluntarily, in the belief that they received certain advantages from such membership.

47. The zavkom was composed of one representative from each sector and service unit. The trade union members of a given sector or section elected each year as their representative a candidate who had been nominated by the Party. These representatives were to carry out the above functions of the zavkom in their sector. In addition, a full-time trade union functionary was employed on the Island.

48. It is my impression that the zavkom was fairly effective in acting as a middleman between the workers and their supervisors or administrators. For example, if a worker was ordered to work on Sunday by his immediate supervisor, he could go to his zavkom representative and present his case. If the worker had a justifiable reason for refusing this overtime work, the zavkom representative spoke privately with the supervisor and asked him to excuse the worker from his assignment unless he was absolutely needed. Such negotiations were often successful. If not, the zavkom representative told the complainant that he had to work and that he should consider it as a contribution to the cause of socialism, et cetera. The Soviet workers apparently felt that the zavkom aided them.

SECRET

SECRET  
-11-

25X1A

49. Although I am not aware of the inner working relationship between zavkom, Party organ, and Institute management, I know they all were simply branches of the state machinery. Apparently the Party had the dominant voice in those questions which did not deal with technical production matters.

PARTY ACTIVITIESFunction of Party Committees

50. There was a Communist Party committee on Gorodomlya Island which was responsible for all installations there. Shurig was the head of this committee. He was engaged in Party affairs on a full-time basis.

51. Evidently one of the primary functions of this Party organ was to deal with the complaints of Party members concerning personnel problems, working conditions, and other personal grievances. That is to say, the Party committee carried out those functions on behalf of Party members which were also exercised by the zavkom for the workers as a whole. In such cases the Party committee would discuss the complaints with the zavkom and the zavkom made the final decision.

52. The Party committee was engaged in certain political-educational activities for Party members. These included regular meetings for Party members. In general, I am uninformed about the content of these discussions but one purpose was clear to me, to maintain the social isolation of the German specialists from the Soviet workers and employees. Whenever cordial relations between the two groups had existed for some time, a Party meeting was called. The Germans then remarked, "It's about time" (es ist so weit). When the Soviet workers appeared at work the next day they would hardly speak to their German colleagues. It is clear to me that, at these meetings, Party leaders had warned members not to associate with the German specialists.

53. There were other political and administrative meetings held for Soviet workers and employees which were not necessarily Party affairs. Plant-wide meetings were held periodically for the purpose of discussing both political questions and problems relating to work. In addition, sector chiefs regularly convened assemblies for all Soviet workers and employees in a given sector or administrative unit. He was sometimes aided by Party and trade union representatives at these meetings. Here were discussed such subjects as new production assignments, plan fulfillment, and the need to correct shortcomings in sector operations. I have no information regarding exact discussion topics, as we German specialists were not present at these meetings.

54. Incidental to this question, I wish to comment briefly on the reaction of Soviet workers to Party propaganda. In my opinion the average Soviet worker is a mere shadow without any opinions of his own. He passively accepts propaganda fed to him, has no opinion of his own, and, what is more, does not dare to have personal opinions on political questions. The average Soviet attending a political meeting is much like a German farmer attending church in his village. He dutifully attends these meetings and, when once there, promptly falls asleep. It is all rather mechanical. A person is expected to attend such meetings and he does so without any opposition but also without much concern.

SECRET

SECRET

-12-

25X1A

55. Party members were frequently granted preferential treatment. The Party committee evidently acted as the spokesman for the interests of Party members. For example, a non-Party man charged with violation of some regulation or with some misdemeanor would be brought before a civil court to answer these charges. However, a Party member in a similar situation would first be brought before a Party commission. If the charges were not serious, the guilty person was subject to Party disciplinary measures and nothing more. These sentences were always milder than sentences meted out by civil courts to persons who were not Party members.

Party Membership

56. It appears to me that Party membership among Soviet workers and employees on Gorodomlya Island included most of the higher-paid employees. Almost all of these persons occupied "soft jobs" in maintenance and administrative offices, with perhaps 30 percent in common and skilled jobs.

57. It was my impression that most individuals in the Party expected to benefit in some material way from their membership. But, at the same time, most seemed to believe in the Party program. That is to say, the average member was neither entirely opportunistic nor entirely idealistic.

58. The Party attempted to recruit as members the more energetic and qualified workers. It was also true that Party members could expect preferential treatment in job assignments. If two workers were being considered for a desirable job, one a Party member and the other one not, but both equally loyal and technically qualified, the former would always be selected. Party membership was definitely more important than technical ability in determining professional advancement. The case of Kiselov and Vasilyev, mentioned above, is an example of party favoritism.

MGB ACTIVITIES

59. There was a security section (Geheimabteilung) in the Institute which was primarily responsible for the control of classified documents. I believe that this office also controlled the activities of informers, but I am not certain. I know of no agents that were among the German specialists there but the informer network was probably widespread, as the plant authorities were frequently well informed about employees' private affairs. For example, the Institute director occasionally mentioned at sector chief meetings that a certain person had made an adverse comment about the Party in a private conversation. These remarks also indicated an exchange of information between the director and secret police officials.

60. The personal mail of the German specialists was censored, but I do not know which office was responsible for this function. Incoming letters often arrived in the wrong envelopes, the letters having been switched when clumsy censors resealed the envelopes.

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